

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re) Chapter 11
)
W. R. Grace & Co. et al.¹;) Case No. 01-01139 (JKF)
) Jointly Administered
Debtors.)
)
Objection Deadline: October 12, 2005 at 4:00 p.m.
Hearing date: To be scheduled only if objections
are timely filed and served.

NOTICE OF FILING OF MONTHLY FEE APPLICATION

To: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; and (7) Counsel to the Debtors-in-Possession Lenders (8) the Fee Auditor:

Capstone Advisory Group, LLC ("Capstone"), financial advisors to the Official Committee of Unsecured Creditors of the above captioned debtor and debtors in possession in the above-captioned chapter 11 cases, filed and served its Eighteenth Interim Application for Allowance of Compensation and for Services Rendered and Reimbursement of Expenses

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Horco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Incurred for the period from July 1, 2005 through July 31, 2005 (the "Monthly Fee Application"). Capstone is seeking compensation in the amount of \$72,011.60, representing 80% of \$90,014.50, which is the total amount of fees incurred, and reimbursement for actual and actual and necessary expenses in the amount of \$621.03.

Objections or responses to the Monthly Fee Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **October 12, 2005 at 4:00 p.m.**

At the same time you must also serve a copy of the objections or responses, if any, upon the following: (i) co-counsel for the Debtors, James H.M. Sprayregen, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number 312-861-2200), and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302-652-4400); (ii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212-806-6006), and Michael R. Lastowski, Esquire, Duane Morris LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302-657-4901); (iii) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, Florida 33131 (fax number 305-374-7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, Delaware 19899 (fax number 302-575-1714); (iv) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale,

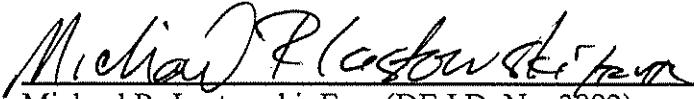
399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212-644-6755) and Mark Hurford, Esquire, Campbell & Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (fax number 302-426-9947); (v) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins , Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312-993-9767), and Steven M. Yoder, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vi) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022 (fax number 212-715-8000); and (vii) the Office of the United States Trustee, Attn: David Klauder, Esquire, 844 N. King Street, Wilmington, Delaware 19801

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(fax number 302-573-6497); and (viii) the Fee Auditor, to Stephen L. Bossay, Warren H. Smith and Associates, Republic Center, 325 N. St. Paul, Suite 1275, Dallas, TX 75201.

Dated: September 22, 2005
Wilmington, DE

RESPECTFULLY SUBMITTED,



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Co-Counsel for the Official Committee of
Unsecured Creditors of W. R. Grace & Co., et al.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:

Chapter 11

W.R. GRACE & Co., et al.,

Case No. 01-01139 (JKF)
(Jointly Administered)

Debtors

EIGHTEENTH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP, LLC,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM JULY 1, 2005 THROUGH JULY 31, 2005)

| | |
|--|--|
| Name of Applicant: | Capstone Advisory Group, LLC (formerly known as Capstone Corporate Recovery, LLC) |
| Authorized to Provide Professional Services to: | The Official Committee of Unsecured Creditors |
| Date of Retention: | June 8, 2004 (<u>nunc pro tunc</u> to February 4, 2004) |
| Period for which compensation and reimbursement is sought: | July 1, 2005 through July 31 2005 |
| Amount of Compensation sought as actual, reasonable and necessary (80% of \$90,014.50): | \$ 72,011.60 |
| Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%): | \$ 621.03 |
| Capstone replaced FTI Consulting, Inc. ("FTI") as financial advisors to the Official Committee of Unsecured Creditors, <u>nunc pro tunc</u> to February 4, 2004, so ordered by the Court on June 8, 2004 | |
| The total time expended and included herein for fee application preparation is approximately 7.30 hours and corresponding compensation requested is approximately \$2,257.00. | |
| This is the <u>Eighteenth Interim Application</u> filed by Capstone. Disclosure for the current period and prior periods is as follows: | |

**EIGHTEENTH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP, LLC,
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FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM JULY 1, 2005 THROUGH JULY 31, 2005)**

**ATTACHMENT A
TO FEE APPLICATION**

| Date Filed (on or about) | Period Covered | Fees (100%) | Expenses (100%) | Fees (80% of requested fees) |
|------------------------------------|--|---------------------|--------------------|---------------------------------|
| June 10, 2004 | February 4, 2004 through February 29, 2004 | \$94,882.00 | \$3,932.07 | \$75,905.60 |
| June 10, 2004 | March 1, 2004 through March 31, 2004 | \$136,415.50 | \$1,819.00 | \$109,132.40 |
| Totals First Quarterly | February 4, 2004 through March 31, 2004 | \$231,297.50 | \$5,751.07 | \$185,038.00 |
| June 12, 2004 | April 1, 2004 through April 30, 2004 | \$61,925.00 | \$678.33 | \$49,540.00 |
| July 13, 2004 | May 1, 2004 Through May 31, 2004 | \$32,665.00 | \$477.15 | \$26,132.00 |
| August 5, 2004 | June 1, 2004 through June 30, 2004 | \$106,470.50 | \$1,119.63 | \$85,176.40 |
| Totals Second Quarterly | April 1, 2004 through June 30, 2004 | \$201,060.50 | \$2,275.11 | \$160,848.40 |
| August 31, 2004 | July 1, 2004 through July 31, 2004 | \$68,533.50 | \$667.60 | \$54,826.80 |
| September 24, 2004 | August 1, 2004 through August 31, 2004 | \$99,215.50 | \$1,341.49 | \$79,372.40 |
| October 28, 2004 | September 1, 2004 through September 30, 2004 | \$44,918.25 | \$658.72 | \$35,934.60 |
| Totals Third Quarterly | July 1, 2004 through September 30, 2004 | \$212,667.25 | \$2,667.81 | \$170,133.80 |

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REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM JULY 1, 2005 THROUGH JULY 31, 2005)**

| Date Filed (on or about) | Period Covered | Fees (100%) | Expenses (100%) | Fees (80% of requested fees) |
|-------------------------------------|--|------------------------|----------------------------|---|
| December 6, 2004 | October 1, 2004 through October 31, 2004 | \$57,592.50 | 229.77 | \$46,074.00 |
| December 22, 2004 | November 1, 2004 through November 30, 2004 | \$84,366.50 | \$745.91 | \$67,493.20 |
| January 28, 2005 | December 1, 2004 Through December 31, 2004 | \$82,351.00 | \$ 1,943.96 | \$65,880.80 |
| Totals Fourth Quarterly | October 1, 2004 through December 31, 2004 | \$224,310.00 | \$2,919.64 | \$179,448.00 |
| February 25, 2005 | January 1, 2005 through January 31, 2005 | \$69,477.00 | \$276.18 | \$55,581.60 |
| March 29, 2005 | February 1 through February 28, 2005 | \$77,228.50 | \$1,727.60 | \$61,782.80 |
| May 6, 2005 | March 1, 2005 through March 31, 2005 | \$126,012.00 | \$ 494.94 | \$100,809.60 |
| Totals Fifth Quarterly | January 1, 2005 through March 31, 2005 | \$272,717.50 | \$2,498.72 | \$218,174.00 |
| June 3, 2005 | April 1, 2005 through April 30, 2005 | \$ 87,936.00 | \$ 435.16 | \$ 70,348.80 |
| July 6, 2005 | May 1, 2005 through May 31, 2005 | \$119,435.00 | \$1,275.00 | \$ 95,548.00 |
| July 15, 2005 | June 1, 2005 through June 30, 2005 | \$89,859.00 | \$542.69 | \$71,887.20 |

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(FOR THE PERIOD FROM JULY 1, 2005 THROUGH JULY 31, 2005)

| Date Filed (on or about) | Period Covered | Fees (100%) | Expenses (100%) | Fees (80% of requested fees) |
|-----------------------------|--|----------------|--------------------|---------------------------------|
| September 19, 2005 | July 1, 2005 through July 31, 2005 | \$90,014.50 | \$621.03 | \$72,011.60 |

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(FOR THE PERIOD FROM JULY 1, 2005 THROUGH JULY 31, 2005)

**ATTACHMENT B
TO FEE APPLICATION**

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Time Description by Task Code
4. Expense Detail

**W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Professional
For the Period 7/1/2005 through 7/31/2005**

| Professional | Position | Billing Rate | Hours | Fees |
|--|------------------|---------------------|---------------|--------------------|
| E Ordway | Member | \$530 | 18.40 | \$9,752.00 |
| S Cunningham | Member | \$505 | 38.80 | \$19,594.00 |
| C Troyer | Consultant | \$425 | 47.10 | \$20,017.50 |
| L Hamilton | Consultant | \$350 | 111.00 | \$38,850.00 |
| M Hakoun | Research | \$150 | 11.10 | \$1,665.00 |
| N Backer | Paraprofessional | \$85 | 1.60 | \$136.00 |
| For the Period 7/1/2005 through 7/31/2005 | | | 228.00 | \$90,014.50 |

W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Task Codes
For the period 7/1/05 through 7/31/05

| Task Code | Task Description | Hours | Fees |
|---|--|--------------|-------------|
| 01. Acquisitions | During the Fee Application period, the Applicant analyzed the Gamma acquisition, discussed related issues with the Debtors and their advisors, and prepared a report to the Committee thereon. | 64.00 | \$25,887.00 |
| 03. Claims Analysis & Valuation | During the Fee Application period, the Applicant read and analyzed Debtors' presentation regarding claims processing issues. | 1.40 | \$742.00 |
| 04. Creditor Committee Matters | During the Fee Application Period, the Applicant prepared for and participated in calls and meetings with the Committee and counsel. Topics included the Gamma acquisition, Pitney Hardin retention, exclusivity as well as other motions and issues. | 6.50 | \$2,564.50 |
| 07. Fee Applications & Invoices | During the Fee Application Period, the Applicant prepared the May, June and quarterly fee applications | 7.30 | \$2,257.00 |
| 08. Financial Analysis - Schedules & Statements | During the Fee Application Period, the Applicant analyzed monthly financial data. In addition the Applicant analyzed Q2 2005 financial results, comparative peer data, and other related Q2 information provided by the Debtors, and prepared a report to the Committee thereon | 13.80 | \$5,238.00 |
| 11. Financial Analysis - Other | During the Fee Application period, the Applicant read and analyzed information and/or motions pertaining to lease assumption, a proposed sale of a plant, the Intercat settlement, environmental reserves and the NJDEP civil case, as well as various other issues. In addition, the Applicant maintained a virtual database of case documents. | 83.60 | \$31,491.50 |
| 15. Plan & Disclosure Statement | During the Fee Application period, the Applicant read and analyzed the Debtors' Report, as well as PI, PD and Futures responses and counsel's memos regarding exclusivity. | 15.50 | \$6,679.50 |
| 19. Tax Issues | During the Fee Application period, the Applicant read and analyzed information pertaining to state tax settlement issues and prepared a report to the Committee thereon | 18.00 | \$7,780.00 |
| 20. Valuation | During the Fee Application period, the Applicant updated a hypothetical recovery analysis | 14.30 | \$6,055.00 |

**W.R. Grace & Co.
Capstone Advisory Group, LLC
Summary of Fees by Task Codes
For the period 7/1/05 through 7/31/05**

| Task Code | Task Description | Hours | Fees |
|--|--|---------------|--------------------|
| 26. Meetings with Debtors | During the Fee Application period, the Applicant participated in calls with Debtors and their advisors regarding the Gamma acquisition, and the proposed sale of a Specialty Polymers business unit in Owensboro, and the Intercat settlement. | 3.60 | \$1,320.00 |
| Total For the Period 7/1/05 through 7/31/05 | | 228.00 | \$90,014.50 |

W.R. Grace & Co.
Capstone Advisory Group, LLC
Detailed Time Description by Task Code
For the Period 7/1/2005 through 7/31/2005

| Date | Professional | Hours | Detailed Time Description |
|------------------------|---------------------|--------------|---|
| 01 Acquisitions | | | |
| 7/1/2005 | L. Hamilton | 4.00 | Prepared analyses of projected operating data provided by Debtors regarding Gamma acquisition |
| 7/5/2005 | L. Hamilton | 6.70 | Analyzed financial data provided by Debtors pertaining to Gamma acquisition and prepared follow up questions. |
| 7/6/2005 | L. Hamilton | 7.40 | Prepared analyses of historical results for use in report to the Committee regarding Gamma acquisition. |
| 7/6/2005 | E. Ordway | 1.00 | Directed staff in preparation of analyses regarding Gamma acquisition |
| 7/7/2005 | L. Hamilton | 6.90 | Prepared outline for preparation of report to the Committee pertaining to Gamma |
| 7/8/2005 | S. Cunningham | 3.00 | Reviewed and prepared analyses of assets being acquired through the Gamma acquisition. |
| 7/8/2005 | E. Ordway | 2.10 | Prepared analysis of possible synergy gains from Gamma acquisition for inclusion in report to Committee |
| 7/11/2005 | S. Cunningham | 2.30 | Reviewed and prepared analyses of comparable companies related to Gamma acquisition. |
| 7/11/2005 | L. Hamilton | 7.10 | Reviewed Gamma forecast model provided by the Debtors and prepared analysis for inclusion in report to the Committee. |
| 7/12/2005 | C. Troyer | 0.80 | Edited report to the Committee pertaining to the Gamma acquisition. |
| 7/12/2005 | S. Cunningham | 1.20 | Read and analyzed Gamma acquisition information. |
| 7/12/2005 | L. Hamilton | 1.70 | Read and analyzed draft motion pertaining to Gamma acquisition. |
| 7/13/2005 | L. Hamilton | 2.10 | Discussed Gamma acquisition with counsel and updated report to the Committee. |
| 7/15/2005 | S. Cunningham | 4.00 | Read and analyzed Gamma acquisition information, and edited draft report to the Committee thereon. |
| 7/19/2005 | S. Cunningham | 1.20 | Analyzed Debtors' outline of the major terms of the purchase contract pertaining to Gamma acquisition. |
| 7/20/2005 | S. Cunningham | 1.60 | Analyzed additional information pertaining to Gamma acquisition regarding representations, purchase price adjustments, etc. |

| Date | Professional | Hours | Detailed Time Description |
|---|---------------------|--------------|---|
| 7/20/2005 | S Cunningham | 1.20 | Prepared/edited report to the Committee regarding the Gamma acquisition regarding timing, synergies and open negotiation issues |
| 7/22/2005 | L. Hamilton | 2.10 | Updated report to the Committee regarding Gamma acquisition to address review comments from senior reviewer. |
| 7/22/2005 | S Cunningham | 2.50 | Read and analyzed additional operating cost and revenue data pertaining to Gamma acquisition |
| 7/25/2005 | L. Hamilton | 1.10 | Prepared analyses to illustrate impact of acquisition to cash flow and earnings |
| 7/26/2005 | E Ordway | 1.30 | Revised/edited Gamma acquisition report to the Committee to address recent modifications to the transaction terms |
| 7/26/2005 | L. Hamilton | 1.20 | Updated report to the Committee regarding Gamma acquisition to reflect comments of counsel. |
| 7/26/2005 | L. Hamilton | 1.50 | Prepared additional follow up questions for the Debtor regarding Gamma acquisition. |
| Subtotal | | 64.00 | |
| 03 Claims Analysis & Valuation | | | |
| 7/21/2005 | E Ordway | 0.60 | Read counsel's report on court hearings regarding claim process issues. |
| 7/21/2005 | E Ordway | 0.80 | Read and analyzed Debtor's presentation regarding claims processing |
| Subtotal | | 1.40 | |
| 04. Creditor Committee Matters | | | |
| 7/1/2005 | E Ordway | 0.40 | Read communique from counsel regarding exclusivity issues |
| 7/6/2005 | C Troyer | 0.50 | Discussed the updated hypothetical recovery analysis with counsel. |
| 7/6/2005 | L. Hamilton | 0.50 | Participated in call with counsel regarding hypothetical recovery scenarios |
| 7/11/2005 | L. Hamilton | 0.30 | Discussed Debtors' filing pertaining to exclusivity with counsel. |
| 7/13/2005 | E Ordway | 0.40 | Call with Chairman to discuss upcoming court docket |
| 7/14/2005 | L. Hamilton | 0.50 | Discussed Debtors' Report and other case issues with counsel |
| 7/21/2005 | L. Hamilton | 0.60 | Discussed recent motions with counsel. |
| 7/22/2005 | L. Hamilton | 0.20 | Discussed Gamma acquisition with counsel. |
| 7/22/2005 | L. Hamilton | 0.60 | Discussed status of various motions with counsel. |

| Date | Professional | Hours | Detailed Time Description |
|-----------------|---------------------|--------------|---|
| 7/25/2005 | E. Ordway | 0.60 | Discussed recent case activity with Committee member |
| 7/26/2005 | L. Hamilton | 0.60 | Discussed retention scope expansion of Pitney Hardin as well as other recent motion issues with counsel |
| 7/27/2005 | L. Hamilton | 1.30 | Coordinated with Blackstone and counsel with respect to various conference calls to discuss current motions |
| Subtotal | | 6.50 | |

07 Fee Applications & Invoices

| | | | |
|-----------------|-------------|-------------|------------------------------------|
| 7/5/2005 | L. Hamilton | 1.60 | Prepared May fee application |
| 7/6/2005 | E. Ordway | 0.30 | Preparation of fee application |
| 7/6/2005 | L. Hamilton | 0.80 | Prepared May fee application |
| 7/12/2005 | E. Ordway | 0.40 | Preparation of fee application |
| 7/13/2005 | L. Hamilton | 0.80 | Prepared June fee application |
| 7/13/2005 | N. Backer | 1.10 | Prepared June fee application |
| 7/14/2005 | L. Hamilton | 1.30 | Prepared June fee application |
| 7/20/2005 | N. Backer | 0.50 | Prepared quarterly fee application |
| 7/21/2005 | L. Hamilton | 0.50 | Prepared fee reconciliation |
| Subtotal | | 7.30 | |

08 Financial Analysis - Schedules & Statements

| | | | |
|-----------|-------------|------|--|
| 7/12/2005 | L. Hamilton | 2.80 | Read and analyzed May monthly operating report prepared by Debtors |
| 7/15/2005 | L. Hamilton | 4.00 | Prepared schedules for Q2 report to the Committee |
| 7/15/2005 | E. Ordway | 1.50 | Prepared outline of report format for staff to use in preparing operating reports to Committee |
| 7/19/2005 | E. Ordway | 0.40 | Summarized operating performance issues for staff to investigate |
| 7/19/2005 | E. Ordway | 1.70 | Read and analyzed May operating report and compared to original budget for variances |
| 7/20/2005 | M. Hakoun | 1.80 | Prepared summary of Debtors' second quarter earnings |
| 7/20/2005 | C. Troyer | 1.60 | Read and analyzed the 2nd quarter press release |

| Date | Professional | Hours | Detailed Time Description |
|--------------------------------|---------------------|--------------|--|
| Subtotal | | 13.80 | |
| II. Financial Analysis - Other | | | |
| 7/11/2005 | M. Hakoun | 0.30 | Updated virtual database of case documents. |
| 7/14/2005 | C. Troyer | 5.00 | Prepared a case information binder for new team member |
| 7/14/2005 | E. Ordway | 0.90 | Calculated interest payment to Committee member under various timelines. |
| 7/14/2005 | L. Hamilton | 4.30 | Read and analyzed industry reports related to catalyst business developments. |
| 7/18/2005 | M. Hakoun | 0.30 | Updated virtual database of case documents. |
| 7/19/2005 | S. Cunningham | 1.00 | Analyzed motion regarding lease assumption. |
| 7/19/2005 | C. Troyer | 4.00 | Read and analyzed pending motions |
| 7/20/2005 | C. Troyer | 5.20 | Drafted follow-up questions pertaining to several pending motions. |
| 7/20/2005 | S. Cunningham | 1.00 | Continued analysis of lease assumption and assignment issues. |
| 7/20/2005 | S. Cunningham | 1.20 | Continued to analyze motion regarding lease assumption |
| 7/21/2005 | L. Hamilton | 1.40 | Read and analyzed industry reports related to specialty chemicals. |
| 7/21/2005 | L. Hamilton | 1.60 | Read and analyzed lease assignment motion |
| 7/21/2005 | L. Hamilton | 2.40 | Read and analyzed recent motions concerning proposed settlements and sale of assets. |
| 7/21/2005 | C. Troyer | 1.60 | Read and analyzed the draft motion pertaining to the assumption and assignment of a lease and drafted follow-up questions. |
| 7/21/2005 | L. Hamilton | 1.40 | Updated work plans and discussed same with case team members |
| 7/22/2005 | L. Hamilton | 2.60 | Continued to read and analyze various settlement motions. |
| 7/22/2005 | L. Hamilton | 1.30 | Read and analyzed Owensboro asset sale motion |
| 7/22/2005 | L. Hamilton | 1.20 | Updated work plans and discussed same with case team members |
| 7/25/2005 | L. Hamilton | 1.00 | Updated work plan. |
| 7/25/2005 | M. Hakoun | 0.80 | Updated virtual database for meeting with team |
| 7/25/2005 | S. Cunningham | 3.30 | Read and analyzed various motions filed by the Debtors |

| Date | Professional | Hours | Detailed Time Description |
|-------------|---------------------|--------------|--|
| 7/25/2005 | C. Troyer | 1.30 | Incorporated counsel's questions on certain pending motions into the list of follow-up questions submitted to the Debtors. |
| 7/25/2005 | L. Hamilton | 0.60 | Read updated motion questions prepared by counsel and distributed same to Blackstone. |
| 7/25/2005 | L. Hamilton | 2.30 | Analyzed information pertaining to lease assignment and prepared follow up questions |
| 7/26/2005 | L. Hamilton | 1.00 | Read and analyzed recent industry reports |
| 7/26/2005 | E. Ordway | 0.50 | Prepared/edited near-term work plan |
| 7/26/2005 | L. Hamilton | 3.70 | Read and analyzed filed version of various motions |
| 7/27/2005 | L. Hamilton | 1.00 | Updated work plan. |
| 7/27/2005 | M. Hakoun | 2.10 | Prepared summary of industry transactions including assets acquired, debt and purchase multiples |
| 7/27/2005 | M. Hakoun | 0.40 | Updated virtual database of case documents. |
| 7/27/2005 | C. Troyer | 3.70 | Drafted a memo to the Committee regarding the proposed sale of the Specialty Polymers business |
| 7/27/2005 | M. Hakoun | 1.30 | Gathered and prepared summary of key economic drivers for the quarter ended 6/30/05 |
| 7/27/2005 | L. Hamilton | 1.10 | Prepared for call with Debtors and advisors regarding Owensboro |
| 7/27/2005 | M. Hakoun | 0.80 | Researched transaction within specialty chemicals sector during the quarter ended June 30, 2005. |
| 7/27/2005 | L. Hamilton | 2.10 | Read and analyzed information regarding environmental issues, including Hamilton NJ site |
| 7/28/2005 | L. Hamilton | 2.60 | Read and analyzed information regarding Intercat settlement |
| 7/28/2005 | S. Cunningham | 2.00 | Read and analyzed information related to Owensboro sale. |
| 7/28/2005 | M. Hakoun | 1.70 | Summarized data from Debtors' and competitors quarterly reports. |
| 7/28/2005 | L. Hamilton | 2.30 | Read and analyzed information regarding a current motion filed by the Debtors regarding sale of Owensboro facility |
| 7/28/2005 | M. Hakoun | 1.60 | Summarized information regarding reserves for asbestos and environmental remediation |
| 7/29/2005 | S. Cunningham | 4.00 | Read and analyzed information regarding Intercat settlement. |
| 7/29/2005 | L. Hamilton | 1.80 | Prepared for call with Debtors and counsel regarding Intercat settlement. |

| Date | Professional | Hours | Detailed Time Description |
|--|---------------------|--------------|--|
| 7/29/2005 | L. Hamilton | 2.00 | Prepared cash flow analysis of Intercat settlement. |
| 7/29/2005 | E. Ordway | 1.90 | Read and analyzed data regarding interest settlement and summarized items/issues for staff to inquire about |
| Subtotal | | 83.60 | |
| 15. Plan & Disclosure Statement | | | |
| 7/5/2005 | E. Ordway | 1.40 | Prepared summary of possible issues that could impact the Debtor if exclusivity were terminated |
| 7/11/2005 | L. Hamilton | 1.40 | Read and analyzed Debtors' filing pertaining to exclusivity |
| 7/11/2005 | S. Cunningham | 1.20 | Read and analyzed information pertaining to exclusivity |
| 7/11/2005 | E. Ordway | 0.80 | Read and analyzed Debtor's report concerning termination of exclusivity and listed items for discussion with staff and counsel |
| 7/11/2005 | C. Troyer | 1.40 | Read and analyzed the Debtors' report on terminating exclusivity. |
| 7/12/2005 | C. Troyer | 0.70 | Read and analyzed counsel's summary of the Debtors' meeting with all parties on 6/27/05. |
| 7/12/2005 | S. Cunningham | 1.30 | Read counsel's summary of Debtors meeting with interested parties |
| 7/12/2005 | E. Ordway | 0.50 | Read counsel's memo regarding estimation procedures and plan negotiation issues |
| 7/12/2005 | L. Hamilton | 0.50 | Read report from counsel regarding July 8th meeting on exclusivity |
| 7/13/2005 | L. Hamilton | 2.70 | Read and analyzed PD, PI and Future Claimant responses to Debtors' report concerning exclusivity |
| 7/14/2005 | L. Hamilton | 1.90 | Continued to read responses to Debtors' report concerning exclusivity |
| 7/18/2005 | S. Cunningham | 1.20 | Read and analyzed interested parties' responses regarding exclusivity |
| 7/21/2005 | C. Troyer | 0.50 | Read and analyzed counsel's update regarding the 7/19/05 hearing |
| Subtotal | | 15.50 | |
| 19. Tax Issues | | | |
| 7/13/2005 | L. Hamilton | 2.40 | Read and analyzed state tax settlement motion |
| 7/18/2005 | C. Troyer | 3.10 | Read and analyzed the Debtors' state tax settlement motion and researched relevant cases and applicable tax law/rulings |

| Date | Professional | Hours | Detailed Time Description |
|----------------------------------|---------------------|---------------|--|
| 7/18/2005 | S. Cunningham | 2.50 | Prepared analyses of cash impact of proposed settlement and impact to valuation model. |
| 7/18/2005 | C. Troyer | 2.90 | Drafted follow-up questions regarding the Debtors' tax settlement motion |
| 7/19/2005 | S. Cunningham | 1.10 | Prepared outline of report format for staff to follow in preparing a report to the Committee regarding tax settlement. |
| 7/20/2005 | S. Cunningham | 1.20 | Analyzed additional information regarding state tax issues, including reading related tax law/rules. |
| 7/20/2005 | S. Cunningham | 0.80 | Prepared summary of state tax issues to be included in our report to the Committee |
| 7/28/2005 | L. Hamilton | 3.10 | Read and analyzed follow up information provided by Debtors pertaining to a state tax settlement |
| 7/28/2005 | E. Ordway | 0.90 | Read motions regarding tax settlements and compared settlement amount to tax reserve analysis. |
| Subtotal | | 18.00 | |
| 20. Valuation | | | |
| 7/1/2005 | C. Troyer | 8.00 | Updated the hypothetical recovery analysis. |
| 7/5/2005 | L. Hamilton | 0.30 | Prepared for call with counsel by reviewing hypothetical recovery scenarios. |
| 7/5/2005 | C. Troyer | 6.00 | Updated discussion document regarding the hypothetical recovery analysis |
| Subtotal | | 14.30 | |
| 26. Meetings with Debtors | | | |
| 7/7/2005 | L. Hamilton | 1.10 | Prepared for and participated in call with Debtors and advisors regarding the Gamma acquisition. |
| 7/27/2005 | L. Hamilton | 0.50 | Participated in call with Debtors and advisors regarding Owensboro. |
| 7/27/2005 | C. Troyer | 0.80 | Participated in a conference call with the Debtors to discuss the proposed sale of the Specialty Polymers business |
| 7/29/2005 | L. Hamilton | 1.20 | Participated in call with Debtors and counsel regarding Intercat settlement. |
| Subtotal | | 3.60 | |
| Total Hours | | 228.00 | |

**W.R. Grace & Co.
Capstone Advisory Group, LLC
Expense Detail
For the Period 7/1/05 through 7/31/05**

| Date | Professional | Detail | Amount |
|--|----------------------------|--------------------------------------|------------------------|
| <u>Copies</u> | | | |
| 7/31/2005 | Capstone Expenses | July Copies - 793 @ 15 Ea | \$118.95 |
| | Subtotal - Copies | | \$118.95 |
| <u>Faxes</u> | | | |
| 7/31/2005 | Capstone Expenses | July Faxes - 6 @ \$1.00 ea | \$6.00 |
| | Subtotal - Faxes | | \$6.00 |
| <u>Research</u> | | | |
| 7/30/2005 | M. Hakoun | Quarterly Pacer Bill 4/1/05-6/30/05 | \$88.72 |
| | Subtotal - Research | | \$88.72 |
| <u>Scans</u> | | | |
| 7/31/2005 | Capstone Expenses | July Scans - 46 @ \$1.00 ea | \$46.00 |
| | Subtotal - Scans | | \$46.00 |
| <u>Telecom Charges</u> | | | |
| 7/11/2005 | E. Ordway | Verizon 7/11/05 | \$18.55 |
| 7/31/2005 | Capstone Expenses | July Telephone - Saddle Brook office | \$342.81 |
| | Subtotal - Telecom Charges | | \$361.36 |
| Total For the Period 7/1/05 through 7/31/05 | | | <u>\$621.03</u> |